

COMMONWEALTH OF VIRGINIA

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VIRGINIA HOUSING COMMISSION

Meeting Summary

**Affordable Housing and Neighborhood Transitions Workgroup
Wednesday, November 9, 2022, 10:00 a.m.
House Committee Room, Pocahontas Building**

Introduction

The meeting was called to order at 10:03 a.m. by Delegate Daniel Marshall.

The Affordable Housing and Neighborhood Transitions Workgroup, of the Virginia Housing Commission held its meeting with Delegate Marshall, Chair, presiding. The format included presentations and discussion. Materials presented at the meeting are accessible through the Virginia Housing Commission's webpage: vhc.virginia.gov

Presentations

Partnerships to Address Virginia's Affordable Housing Needs

Kim Bobo, Executive Director, Virginia Interfaith Center for Public Policy

Ms. Bobo shared ideas from the Virginia Interfaith Center for Public Policy about how the legislature might partner with faith communities to provide affordable housing. She stated that there are many congregations throughout Virginia who are considering either selling their buildings or designating parts of them for other uses. She asserted that the creation of new policies could help these congregations explore the idea of turning church structures into affordable housing. Bobo presented other ideas including suggestions on how the legislature could help congregations assist first-time homebuyers through the creation of policies that would make gift-giving easier.

Following the presentation, questions were raised including those about the possibility of congregations donating land to an already existing “land bank.” Bobo answered that many congregations are interested in donating a part of the building for housing use, and that a land bank donation would mean that the church gives the entire property, making this option less appealing to churches. A question was raised as to whether funds for these ideas would be included in the Governor’s budget, and the answer is unknown at this time.

Scaling Housing Resources Through Community Development Financial Institutions Funds (CDFI’s)

Leah Fremouw, CEO, Bridging Virginia and Bryan Phillips, President and CEO, People, Inc.

Leah Fremouw presented on the shortage of affordable housing in Virginia. She explained that CDFI’s are comprised of private financial institutions that are dedicated to delivering affordable support to help low income, low wealth, and other disadvantaged people and communities join the economic mainstream. There are eighteen CDFI’s in Virginia. They are made up of different types of financial institutions, including for profit and nonprofit. They provide lending, advisory services, and investing. Ms. Fremouw stated that, in 2019, 1535 housing units were created or preserved across the Commonwealth. In 2019, CDFI’s created 1791 jobs, and leveraged resources like federal and state programs.

Bryan Phillips presented on community development investment portfolios, including a project in Luray, Virginia. A new community was created, named Luray Meadows, and has a rental rate that is an average of 40 percent less than the average achievable market rate rents. A total of 52 housing units were provided, but the total need was about 800. He also spoke of the issues of regulatory requirements that could be detrimental to affordable housing projects. Leah Fremouw then presented creative ways in which CDFI’s provide funds, such as grants (9.7 million were awarded to twelve intermediaries in 2022).

The presentation included two current goals of CDFI’s including establishing a program at the Department of Housing and Community Development (DHCD) that could become a permanent resource, and scaling the program to 30 million dollars to recapitalize the small business fund.

Questions and comments followed the presentation. Senator Ghazala Hashmi requested further explanation about adding housing resources, asking if CDFI’s could include construction costs and mortgage opportunities. Ms. Fremouw answered that refinancing is currently the focus, but in the future CDFI’s could include funds for refurbishing existing structures and providing funds for the construction of new housing.

Update on Mobile/Modular Homes in Virginia

Randy Grumbine, Executive Director, Virginia Manufactured and Modular Housing Association, and Tyler Craddock, Vice President of Government Affairs, Legislative Strategies

Tyler Craddock began the presentation on manufactured housing in Virginia. Manufactured housing is classified as a structure built to federal standards designed to be a dwelling (Manufactured Home Construction and Safety Standards by the Department of Housing and Urban Development (HUD) codes. Modular housing is subject to only state standards, while mobile homes are structures that were manufactured before the HUD standards were in place.

Mr. Craddock and Mr. Grumbine continued with an explanation of the manufactured housing regulatory framework in Virginia and an outline of the factory-building process for homes.

The presentation concluded with an assertion of the importance of manufactured homes on the market, as they offer an affordable option for individuals and families hoping to purchase a home.

Discussion followed the presentation. Senator Ghazala Hashmi commented that the rights of mobile homeowners need to be protected, especially in rural regions. Mr. Grumbine responded that tenant protections have been added recently, but more research and work needs to be done.

There was discussion about the need for the general improvement of mobile home parks, followed by comments about the possibility of innovative financing for mobile home purchases and a goal of replacing the mobile homes built in or before 1976, before the HUD codes were established.

Follow Through on Companion Animals in Apartments

Delegate Carrie Coyner

Delegate Coyner presented a new draft of HB 586, VanValkenburg, S, 2022 (a proposed bill for 2023). The new draft focuses on the companies who provide intentionally fraudulent documentation. She requested on Delegate VanValkenburg's behalf that the Commission continue to research other states' processes on this issue. Coyner made a motion that the workgroup move this bill to the full Virginia Housing Commission for review. The motion passed by a vote of the workgroup of 19-1.

Public Comment

Mr. Steven Nesmith, the new CEO of Richmond Housing Authority, introduced himself to the workgroup. He stated that he plans present a housing revenue bond and a tax increment financing revenue bond. Wells Fargo plans to create five thousand new homeowners.

No other public comment was offered.

Conclusion

Delegate Daniel Marshall concluded the meeting stating that the next full commission meeting will be December 14, 2022, location to be determined.

Adjourn

Meeting was adjourned at 11:47 a.m.